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Request for Proposals (RFP) to Administer Wisconsin Works (W-2) and Related Programs

Executive Summary

Department of Workforce Development (DWD) Secretary Roberta Gassman announced on June 24, 2005 that DWD is soliciting Requests for Proposals (RFP) from agencies and consortia seeking to administer Wisconsin Works (W-2) and Related Programs for the next W-2 contract cycle.

This competitive process, with this fifth RFP that has been released to solicit bids to operate W-2 since it was started in Wisconsin in 1997, makes a strong departure from earlier solicitations. The new RFP emphasizes jobs for participants and tighter financial controls for W-2 agencies. Early in the W-2 program, much discretion was delegated to W-2 Agencies. Based on experience gathered about this complex program over the last nine years, agencies will be held to uniform performance expectations.

The Department believes that the premise of W-2 is that families can best achieve self sufficiency through employment. This RFP concentrates on how best to promote economic self-sufficiency by helping individuals secure and retain jobs. DWD also puts into place strong safeguards to assure the effective and efficient expenditure of public funds.

To stretch administrative funds and promote program stability, the duration of the contract cycle under this RFP will increase from a two-year to a four-year period. The new contract period shall run from January 1, 2006 through December 31, 2009.

Chief among the improvements outlined by DWD in the RFP are specific changes for the delivery of services in Milwaukee County, where the largest population of the state's caseload resides, separating the different W-2 functions of case management, job development and Social Security Income/Social Security Disability Income (SSI/SSDI) eligibility determination. Having different entities compete and specialize in the delivery of separate W-2 services will produce better outcomes for participants and stronger connections to employers.

The focus of the 2006-09 RFP is on:

- Assisting program participants in successfully making what might be their initial connection to employment;
- Ensuring that participants strengthen connections to employment, other available training opportunities and career ladders;
- Providing employment retention services; and,
- Providing assistance in obtaining federal SSI or SSDI support for participants facing multiple barriers.

The RFP also continues directives put into place by DWD since 2003 to strengthen monitoring, agency administrative operations and agency program management.

Changes for all W-2 Agencies

Improved Financial and Administrative Management

- Increased management and financial accountability expectations for W-2 Agencies in areas of financial reporting, cost reimbursement controls and cost oversight in areas including promotional expenses, telecommunication, executive compensation, legal services and retainers and rent;
- Requirement of fidelity bond backing from all private agencies to reimburse the state in the event an agency does not fulfill its contractual obligation;
- New performance incentives that require large W-2 contract agencies to earn twenty percent (20%) of their administrative and service contract amount through workforce connected outcomes; and,
- New performance guidelines that strengthen DWD's ability to cancel contracts whenever necessary, as well as on an annual basis, for agency failure to meet agreed upon expectations.

Improved Program Management

- New performance standards focusing on successful participant outcomes in areas including obtaining and retaining employment, enrollment in relevant job skills training and receiving eligibility for SSI/SSDI support;
- Increased requirements that agencies connect to local employers to expand job opportunities for W-2 participants;
- Increased requirements that agencies assist participants in retaining new jobs;
- New requirements that agencies ensure the provision of short-term skills training for participants, where appropriate, to ensure improved job placement success; and,
- New requirements that agencies integrate services with other workforce development and community support programs and providers in areas such as child welfare to better serve participants facing multiple challenges.

Changes for Milwaukee County W-2 Agencies

- Increased focus on effective participant workforce attachment through stronger connections with employers and the use of at least one Job Development and Placement Agency;
- Increased focus on the provision of effective case management services through at least one specialized Case Management Agency;

- Increased focus on expeditiously assisting people who are likely eligible for SSI/SSDI benefits through a specialized countywide SSI/SSDI Advocacy Agency;
- Creation of a Preferred Provider registry to be used by Milwaukee W-2 Agencies for providing specialized case services that will assure quality, cost savings and community involvement;
- Increased number of W-2 Agencies and, as a result, a reduction in the concentration of W-2 resources in a few entities whose performance could jeopardize the overall program; and,
- Creation of an “Ombudsperson” at DWD to support W-2 applicants and participants in rapidly addressing their needs and challenges in accessing W-2 services.

The RFP continues to encourage the formation of consortia, multiple agencies joining together to operate W-2, providing improved economies of scale and enhanced ability to meet participant needs and respond to changes in caseloads.

Those eligible to submit proposals under this RFP include, but are not limited to:

- Government agencies;
- Private, not-for-profit entities;
- Private, for profit entities;
- Tribal governing bodies; and,
- Consortia with one of the above as the lead agency.

The deadline for submitting proposals is July 29, 2005. DWD will review all proposals and enter into contracts with successful bidders.

A copy of the RFP and additional related information may be found on the DWD website.